



## **ADEFECTIVE LIMITED**

(ASX: ABN)

### **ASX and Media Release**

30 January 2013

#### **AdEffective Limited – Quarterly Cash Flow Statement (Appendix 4C) for quarter ended 31 December 2012**

- **Company expecting small profit for First Half of FY2013**
- **Revenues for first half FY2013 up 50% on FY2012**
- **Total Cash receipts for Q2 2012 - \$0.855 Million**
- **Total Cash receipts for first half of FY2013 - \$1.973 Million**

AdEffective Limited (**ABN** or the **Company**) presents its consolidated Quarterly Cash Flow Report for the period ended 31 December 2012.

The Company expects revenues for the First Half of FY2013 to be the strongest since its relisting in 2010. In line with these results, the Company is expecting to achieve a break even result for the six months ending December 2012, which is a significant improvement in comparison to the first half of FY2012 (loss of \$1.35 Million).

The Company estimates Total Income for the First Half of FY2013 will total \$1.55 Million, up \$0.5 Million on the equivalent FY2012 period. Half Yearly Reports and Accounts will be released in February 2013.

Total cash receipts for the December 2012 quarter were \$0.86 Million, down on the previous quarter (\$1.18 Million Q1 FY2013). Total cash receipts for the first half of FY2013 were \$1.973 Million, close to 100% up on the equivalent period in FY2012 (\$1.071 Million).

Working capital available to the Company as at 31 December 2012 was \$416,000 (\$475,000 as at 30 September 2012).

The Company remains cautiously optimistic about the outlook for AdEffective, and the Directors are encouraged by improvements in earnings since May 2012.

The Company remains committed to organic growth of its existing core businesses as well as seeking new opportunities to diversify current business offerings in the near future.

**-ENDS**

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## **About AdEffective Limited**

AdEffective is an online advertising business focusing on the distribution of advertising to publishers and publisher networks and more recently, on the design and development of innovative new platforms and technologies in the online advertising space to help improve advertiser ROI and generate more revenue for its publisher partners. AdEffective served 926 Million Ad Units in August 2012 through its Advertising Partner Network.

Ad units served through AdEffective's Partner Network include search (ads based on keyword input), contextual (ads based on the content of a page), Display Ads (Banner Ads) and Footer ads (ads which appear fixed to the bottom of a web page).

<http://www.adeffective.com>

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

AdEffective Limited

ABN

93 085 545 973

Quarter ended ("current quarter")

31 December 2012

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	855	1,973
1.2 Payments for		
(a) staff costs	(172)	(338)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(744)	(1,577)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	5
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>(59)</b>	<b>61</b>

+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(59)	61
<b>1.9 Cash flows related to investing activities</b>		
Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
<b>1.10 Proceeds from disposal of:</b>		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	-	-
<b>1.14 Total operating and investing cash flows</b>	(59)	61
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Capital raising costs	-	-
<b>Net financing cash flows</b>	-	-
<b>Net increase (decrease) in cash held</b>	(59)	61
1.21 Cash at beginning of quarter/year to date	475	355
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	<b>416</b>	<b>416</b>

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	57
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

-

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities: Equity & convertible note facility	5,000	-
3.2	Credit standby arrangements	-	-

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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	416	475
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details) (cash held in a separate bank account to secure a bank guarantee in respect of leased office accommodation)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>	<b>416</b>	<b>475</b>

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	-	-
5.2 Place of incorporation or registration	-	-
5.3 Consideration for acquisition or disposal	-	-
5.4 Total net assets	-	-
5.5 Nature of business	-	-

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Authorised for electronic lodgement by **Damian London, Chief Executive Officer**  
 30 January 2013

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## **Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
  
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a)- policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
  
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.